

2014 CUMULATIVE POCKET SUPPLEMENT

IDAHO CODE

Compiled Under the Supervision of the
Idaho Code Commission

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COMMISSIONERS

TITLE 28(1-8)

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PUBLISHER'S NOTE

Amendments to laws and new laws enacted since the publication of the bound volume down to and including the 2014 regular session are compiled in this supplement and will be found under their appropriate section numbers.

This publication contains annotations taken from decisions of the Idaho Supreme Court and the Court of Appeals and the appropriate federal courts. These cases will be printed in the following reports:

Idaho Reports

Pacific Reporter, 3rd Series

Federal Supplement, 2nd Series

Federal Reporter, 3rd Series

United States Supreme Court Reports, Lawyers' Edition, 2nd Series

Title and chapter analyses, in these supplements, carry only laws that have been amended or new laws. Old sections that have nothing but annotations are not included in the analyses.

Following is an explanation of the abbreviations of the Court Rules used throughout the Idaho Code.

Idaho R. Civ. P.

Idaho Evidence Rule

Idaho R. Crim. P.

Idaho Misdemeanor Crim. Rule

I.I.R.

I.J.R.

I.C.A.R.

Idaho App. R.

Idaho Rules of Civil Procedure

Idaho Rules of Evidence

Idaho Criminal Rules

Misdemeanor Criminal Rules

Idaho Infraction Rules

Idaho Juvenile Rules

Idaho Court Administrative Rules

Idaho Appellate Rules

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USER'S GUIDE

To assist the legal profession and the layperson in obtaining the maximum benefit from the Idaho Code, a User's Guide has been included in the first, bound volume of this set.

**ADJOURNMENT DATES OF SESSIONS OF
LEGISLATURE**

Year	Adjournment Date
2014	March 20, 2014

TITLE 28

COMMERCIAL TRANSACTIONS

CHAPTER.

4. UNIFORM COMMERCIAL CODE — BANK DEPOSITS
AND COLLECTIONS, § 28-4-613.

CHAPTER.

5. UNIFORM COMMERCIAL CODE — LETTERS OF
CREDIT, § 28-5-120.

CHAPTER 1

UNIFORM COMMERCIAL CODE — GENERAL PROVISIONS

PART 3. TERRITORIAL APPLICABILITY AND GENERAL RULES

**28-1-301. Territorial application of the uniform commercial code —
Parties' power to choose applicable law.**

RESEARCH REFERENCES

Idaho Law Review. — Choice of Law in Andrew S. Jorgensen. 49 Idaho L. Rev. 547
Idaho: A Survey and Critique of Idaho Cases, (2013).

CHAPTER 2

UNIFORM COMMERCIAL CODE — SALES

PART 4. TITLE, CREDITORS AND GOOD FAITH PURCHASERS

28-2-402. Rights of seller's creditors against sold goods.

RESEARCH REFERENCES

Idaho Law Review. — Choice of Law in Andrew S. Jorgensen. 49 Idaho L. Rev. 547
Idaho: A Survey and Critique of Idaho Cases, (2013).

CHAPTER 4

UNIFORM COMMERCIAL CODE — BANK DEPOSITS AND COLLECTIONS

PART 6. FUNDS TRANSFERS SUBJECT MATTER AND DEFINITIONS

ISSUE AND ACCEPTANCE OF PAYMENT ORDER

SECTION.

28-4-613. Erroneous payment orders.

PART 1. GENERAL PROVISIONS AND DEFINITIONS

28-4-102. Applicability.

RESEARCH REFERENCES

Idaho Law Review. — Choice of Law in Idaho: A Survey and Critique of Idaho Cases, (2013). Andrew S. Jorgensen. 49 Idaho L. Rev. 547 (2013).

PART 6. FUNDS TRANSFERS SUBJECT MATTER AND DEFINITIONS

ISSUE AND ACCEPTANCE OF PAYMENT ORDER

28-4-613. Erroneous payment orders. — (1) If an accepted payment order was transmitted pursuant to a security procedure for the detection of error and the payment order (i) erroneously instructed payment to a beneficiary not intended by the sender, (ii) erroneously instructed payment in an amount greater than the amount intended by the sender, or (iii) was an erroneously transmitted duplicate of a payment order previously sent by the sender, the following rules apply:

(a) If the sender proves that the sender or a person acting on behalf of the sender pursuant to section 28-4-614, Idaho Code, complied with the security procedure and that the error would have been detected if the receiving bank had also complied, the sender is not obliged to pay the order to the extent stated in subsections (2) and (3) of this section [paragraphs (b) and (c) of this subsection].

(b) If the funds transfer is completed on the basis of an erroneous payment order described in clause (i) or (iii) of subsection (1) of this section, the sender is not obliged to pay the order and the receiving bank is entitled to recover from the beneficiary any amount paid to the beneficiary to the extent allowed by the law governing mistake and restitution.

(c) If the funds transfer is completed on the basis of a payment order described in clause (ii) of subsection (1) of this section, the sender is not obliged to pay the order to the extent the amount received by the beneficiary is greater than the amount intended by the sender. In that case, the receiving bank is entitled to recover from the beneficiary the excess amount received to the extent allowed by the law governing mistake and restitution.

(2) If (i) the sender of an erroneous payment order described in subsection (1) of this section is not obliged to pay all or part of the order, and (ii) the sender receives notification from the receiving bank that the order was accepted by the bank or that the sender's account was debited with respect to the order, the sender has a duty to exercise ordinary care, on the basis of information available to the sender, to discover the error with respect to the order and to advise the bank of the relevant facts within a reasonable time, not exceeding ninety (90) days, after the bank's notification was received by the sender. If the bank proves that the sender failed to perform that duty, the sender is liable to the bank for the loss the bank proves it incurred as a

result of the failure, but the liability of the sender may not exceed the amount of the sender’s order.

(3) This section applies to amendments to payment orders to the same extent it applies to payment orders.

History.

I.C., § 28-4-613, as added by 1991, ch. 135,
§ 1, p. 295; am. 2014, ch. 97, § 8, p. 265.

STATUTORY NOTES

Amendments.

The 2014 amendment, by ch. 97, inserted
“Idaho Code” in paragraph (1)(a).

graph (1)(a) was added by the compiler to
clarify the immediately preceding reference.

Compiler’s Notes.

The bracketed insertion at the end of para-

MISCELLANEOUS PROVISIONS

28-4-638. Choice of law.

RESEARCH REFERENCES

Idaho Law Review. — Choice of Law in Andrew S. Jorgensen. 49 Idaho L. Rev. 547
Idaho: A Survey and Critique of Idaho Cases, (2013).

CHAPTER 5

UNIFORM COMMERCIAL CODE — LETTERS OF CREDIT

SECTION.

28-5-120. Security interest of issuer or nom-
inated person.

28-5-116. Choice of law and forum.

RESEARCH REFERENCES

Idaho Law Review. — Choice of Law in Andrew S. Jorgensen. 49 Idaho L. Rev. 547
Idaho: A Survey and Critique of Idaho Cases, (2013).

28-5-120. Security interest of issuer or nominated person. —

(a) An issuer or nominated person has a security interest in a document presented under a letter of credit to the extent that the issuer or nominated person honors or gives value for the presentation.

(b) So long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection (a) of this section, the security interest continues and is subject to chapter 9, title 28, Idaho Code, but:

(1) A security agreement is not necessary to make the security interest enforceable under section 28-9-203(b)(3), Idaho Code;

- (2) If the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and
- (3) If the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument, or a letter of credit, the security interest is perfected and has priority over a conflicting security interest in the document so long as the debtor does not have possession of the document. This act applies to a letter of credit that is issued on or after the effective date of this act. This act does not apply to a transaction, event, obligation, or duty arising out of or associated with a letter of credit that was issued before the effective date of this act.

History.

I.C., § 28-5-120, as added by 2001, ch. 208,
§ 11, p. 704; am. 2014, ch. 97, § 9, p. 265.

STATUTORY NOTES

Amendments.

The 2014 amendment, by ch. 97, added
“Idaho Code” in paragraph (b)(1).

Compiler’s Notes.

The term “this act” in the last paragraph
refers to S.L. 2001, ch. 208, which revised

Article (Chapter) 9 of the Uniform Commer-
cial Code and amended many other sections of
the Idaho Code to conform to that revision.

The phrase “effective date of this act” in the
last paragraph refers to the effective date of
S.L. 2001, ch. 208, which was July 1, 2001.

CHAPTER 8
INVESTMENT SECURITIES

PART 1. SHORT TITLE AND GENERAL MATTERS

28-8-110. Applicability and choice of law.

RESEARCH REFERENCES

Idaho Law Review. — Choice of Law in
Idaho: A Survey and Critique of Idaho Cases,
Andrew S. Jorgensen. 49 Idaho L. Rev. 547
(2013).

